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Hertz **Press Information**

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A Drop in '83?...

DRIVING COSTS UP JUST 1¢ A MILE, BUT FOUR CITIES NOW TOP 50¢, NEW HERTZ STUDY SHOWS

Per-mile costs to own and run typical new 1982 compact cars ranged from 57.08¢ in Los Angeles to 41.68¢ in Detroit--a 15.4¢ difference--and averaged 47.21¢ in 20 key U.S. cities, up 1.09¢ or 2.36% from 46.12¢ in 1981, The Hertz Corporation's new annual estimates showed today.

New car driving outlays now top 50¢ a mile -- plus any tolls and parking charges -- in three other major locales, according to the firm's latest report, with New York City ranked second at 56.05¢, San Francisco third, 54.33¢ and Miami fourth, 50.04¢.

But the lease-rental company says its new study confirms a sharp slowdown in new passenger car ownership and operating cost increases from the yearly double-digit jumps which have prevailed for the past decade.

"If automobile purchase prices hold steady and if car loan interest rates and gasoline prices continue to fall, 1983 could bring American motorists their first decline in auto operating costs since 1971," said the report from Hertz, which leases and rents both cars and trucks.

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In 1971, Federal price controls helped force driving outlays down to 11.9¢ a mile from 12.1¢ in 1970. Since 1972, though, auto expenses have risen 174%, far ahead of the nation's 129% overall inflation rate for the same period.

The 1982 advance of 1.09¢ a mile contrasts with a 1980-81 rise of 7.56¢ a mile or 19.6% from 38.56¢ to 46.12¢, and with a 1979-80 jump of 9.01¢ a mile or 28.7% from 29.55¢ a mile.

Chicago Up Most, Pittsburgh Least

These recent rises put the three-year 1979-1982 total increase at 59.8% or 17.7¢ a mile, the new study notes, and it places the 10-year 1972-82 advance at a compound annual rate of nearly 14.6%, or about 3.5¢ a mile.

In the latest study, Chicago, in 5th place among the 20 key cities in 1982 at 49.81¢ a mile, showed the largest increase for the year, up 2.52¢ a mile or 5.33% from 47.29 in 1981. Pittsburgh, now in 15th place in the current standings with 44.75¢, rose the least -- up less than 1/4¢ a mile or 1/2% over 44.53¢ for the prior year, according to the Hertz estimate.

The 47.21¢ average for the 20 key, geographically-spread spots compares with the Hertz estimate of overall nationwide average expenses of 44.67¢ a mile, previously reported by the firm. Expenses in major cities normally are higher than in smaller towns and rural areas because such car cost elements as insurance premiums, sales taxes and labor rates are higher in cities.

The 20 Cities Ranked

The 20 cities covered in the Hertz annual study -- with their 1982 rank, and expenses compared with 1981 -- were:

#1--Los Angeles, 57.08¢ (vs. 56.36¢); #2--N.Y.C., 56.05 (vs. 55.16); #3--San Francisco, 54.33 (53.17); #4--Miami, 50.04 (48.40); #5--Chicago, 49.81 (47.29); #6--Seattle, 47.91 (46.37); #7--St. Louis, 47.61 (45.29); #8--Denver, 46.98 (45.36); #9--San Diego, 46.39 (45.17); #10--Boston, 46.33 (45.14); #11--Houston, 45.62 (45.33); #12--Milwaukee, 45.60 (44.67); #13--Minneapolis, 45.58 (44.73); #14--Cleveland, 45.36 (43.81); #15--Pittsburgh, 44.75 (44.53); #16--Dist. of Col., 43.73 (43.48); #17--Cincinnati, 43.63 (41.75); #18--Dallas, 43.11 (42.46); #19--Atlanta, 42.15 (41.48); #20--Detroit, 41.68¢ in 1982 (vs. 40.87¢ in 1981).

The Hertz study stresses that geography is only one of many variables affecting car costs. The company, whose systems operate more than 300,000 vehicles, urges each motorist to calculate his or her own expenses, which may vary by car size, optional equipment, fuel efficiency, miles driven each year, whether routes require tolls, how long the car is kept and any required parking charges.

What Costs Hertz Estimates

The Hertz expense estimates include insurance, licenses, fees, taxes, loan interest, maintenance, repairs, gasoline, oil and other service station charges and depreciation -- the difference between the car's purchase price and its projected resale or trade-in value.

Tolls and parking are excluded as they can vary substantially even within cities.

The Hertz estimates are for normally-equipped vehicles purchased new and driven 10,000-miles-a-year for five years, typical for new car buyers. The company emphasizes that expenses for cars purchased used -- as two out of three autos are -- are 10-50% less, depending on the car's age when bought.

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Likewise, cars bought new and kept more than five years usually cost less because depreciation is higher in early years, lower later, and because interest costs end and insurance may be cut. Smaller cars also cost less to run.

However, expenses for larger cars, and for cars traded sooner are higher than the typical compact kept five years.

Purchase Price Key Factor in Total Expenses

Vehicle purchase price is a key factor in total ownership and operating expenses, Hertz pointed out, because it influences the major "fixed" or "standing" charges of depreciation, insurance, interest, sales taxes and often licenses and other fees. These cost elements add up to about three-quarters of total outlays for typical new units.

New 1982 compact model purchase prices in the 20 cities averaged $8,111 with such typical options as automatic transmission, power steering and brakes and air-conditioning. Purchase prices ranged from an $8374 average in New York to $7714 in Detroit.

In the category of insurance, licenses and fees, per-mile outlays ranged from a high of 19.68¢ in Los Angeles to 7.94¢ in Dallas, with a 20-city average of 11.47¢ a mile. Since the Hertz estimates project typical costs for typical buyers of new cars, insurance premiums assume a four-person family with one youthful male inexperienced driver. Varying insurance rates can alter costs materially.

Estimated interest costs averaged 9.69¢ a mile and ranged from 10.75¢ a mile in Los Angeles to 9.05¢ in Washington, D.C. Interest expenses, which include loan rates on the portion financed and income lost on a one-third cash down-payment, depend on the auto's price and the interest rates in effect. These expenses, too, can vary substantially, and some other cost estimates exclude them.

Maintenance and repair, which averaged 3.84¢, ranged from 4.70¢ in San Francisco to 2.90¢ in Atlanta. Fuel and other service station items were 9.70¢ in Seattle, 8.17¢ in Atlanta, for an 8.92¢ average.

Costs Also Vary by Car Mileage, Size, Age

For a smaller, sub-compact 1982 model, five-year ownership costs at 10,000 miles a year averaged 36.11¢ a mile in the 20 cities. Mid-size vehicles were estimated to cost 51.78¢, intermediates 53.55¢, and full-size makes 55.26¢ a mile. In early 1970's studies, Hertz used intermediate-sized makes as most typical of new cars.

While five-year ownership is now most typical for usership -- up from three years as recently as 1978 -- keeping a new car 10-years lowers typical compact costs to 35.76¢ a mile from the five-year estimate of 47.21¢, but trading annually raises the expense to 53.90¢ a mile for the 10,000-mile-a-year compact. Although fuel, maintenance and repair outlays normally increase as a car ages, savings from lower depreciation, insurance and interest more than offset the upkeep charges, lowering the overall expense.

Different yearly mileage alters costs drastically, as the so-called fixed or standing expenses are spread over fewer or greater mileage distances. At just 5,000 miles a year, the new compact kept five years costs an estimated 77.41¢ a mile versus the 47.21¢ at 10,000 annual miles and just 36¢ at 15,000.

But on the key dollars-per-year basis, these figures multiply to $5400 for 15,000 annual miles, $4721 for 10,000 and down to $3871 for 5,000 miles. Some studies done for taxing authorities, car owner groups or corporations inflate annual mileage figures above typical norms to produce lower per-mile figures.

Government estimates put the national passenger car mileage average at less than 10,000 miles a year. Hertz estimates the 1981 mileage -- latest available -- at 8,081 miles a year, including high-mileage police units, taxis and fleet vehicles. The average for individual motorists is closer to 5,000 miles a year, for cars of all ages, but since newer cars average higher mileage -- about 9,559 miles a year over the first five years, according to Hertz estimates -- the 10,000 mile-a-year figure is treated as typical.

In addition to its yearly estimates of new car ownership and operating costs -- on a national and 20-city basis -- Hertz also issues typical new truck cost estimates, a study of used car costs and used car market size, a projection of total U.S. motor vehicle spending, a report on the size of the car and truck lease-rental and fleet markets and a motorists' guide for calculating personal car expenses.

All are available free by writing Hertz Public Affairs, 660 Madison Ave., New York, N.Y. 10021.

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CITY RANKINGS OF HERTZ ESTIMATED COMPACT CAR OWNERSHIP & OPERATING COSTS FOR 1982
(For Autos Purchased New And Driven 10,000 Mile-A-Year for Five Years)

1982 RANK	CITY	1982 ¢ Per-Mile	1981 RANK	1981 ¢ PM*	1980 RANK	1980 ¢ PM*	1979 RANK*	1979 ¢ PM
# 1.	Los Angeles	57.08¢	# 1.	56.36¢	# 1.	49.28¢	# 1.	39.50¢
2.	New York City	56.05	2.	55.16	2.	46.42	2.	39.24
3.	San Francisco	54.33	3.	53.17	3.	44.88	4.	33.00
4.	Miami	50.04	4.	48.40	4.	40.14	8.	29.73
5.	Chicago	49.81	5.	47.29	5.	38.95	9.	29.54
6.	Seattle	47.91	6.	46.37	7.	38.40	6.	30.36
7.	St. Louis	47.61	9.	45.29	10.	37.64	16.	27.67
	20-CITY AVERAGE	47.21¢		46.12¢		38.56¢		29.95¢
8.	Denver	46.98	7.	45.36	6.	38.88	3.	33.09
9.	San Diego	46.39	10.	45.17	9.	38.30	17.	27.55
10.	Boston	46.33	11.	45.14	17.	36.20	13.	28.58
11.	Houston	45.62	8.	45.33	8.	38.36	7.	30.09
12.	Milwaukee	45.60	13.	44.67	12.	36.88	10.	29.47
13.	Minneapolis	45.58	12.	44.73	11.	37.06	5.	30.77
14.	Cleveland	45.36	15.	43.81	16.	36.33	18.	26.32
15.	Pittsburgh	44.75	14.	44.53	15.	36.64	12.	28.64
**	NATIONAL AVERAGE*	44.67¢		43.42¢		36.42		28.55
16.	District of Columbia	43.73	16.	43.48	13.	36.86	11.	29.10
17.	Cincinnati	43.63	18.	41.75	19.	34.28	20.	24.35
18.	Dallas	43.11	17.	42.46	14.	36.78	14.	28.01
19.	Atlanta	42.15	19.	41.48	18.	34.90	15.	27.96
#20.	Detroit	41.68¢	20.	40.87	20.	34.08	19.	26.10

NOTES: *Rankings and costs now based on five-year ownership, rather than four and three as in prior years, so 1979-80-81 costs have been re-stated from prior studies to make 1982 figures comparable. **National average data, based on Car Leasing Div. experience, originally issued Jan. 31, 1983 for 1982; estimates for the 20 cities based on variables as reported by Rent A Car locations in downtown areas. Changes in relative rankings --especially in 1979-80--may have resulted from state usury law ceilings, insurance premium maximums or sales tax changes granted at various times of each year by regulatory authorities. A 1¢ per mile difference could raise or lower a rank five digits, which could stem from a half point interest rate or $100 a year insurance rate variation.

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HERTZ ESTIMATES OF 1982 NEW PASSENGER CAR OWNERSHIP & OPERATING COSTS IN KEY U.S. CITIES
(In Cents Per-Mile for New Compact-Sized Model Kept 5 Years & Driven 10,000 Miles A Year)

CITY	U.S. NAT.AV.	20-CITY AVERAGE	Atlanta	Boston	Chicago	C'nati	Clevel'd	Dallas	Denver	Detroit	Dis.Col.	Houston
Purchase Price	$8102	$8111	$ 7983	$ 8102	$8242	$8055	$8203	$ 7989	$ 8165	$ 7714	$ 8010	$ 8016
Anl.Depreciation	13.29¢	13.30¢	13.09¢	13.29¢	13.52¢	13.21¢	13.45¢	13.10¢	13.39¢	12.65¢	13.14¢	13.15¢
Ins.,Lics.,Fees	9.80	11.47	8.69	10.90	12.75	8.87	9.73	7.94	10.53	8.37	8.75	10.60
Interest Costs	9.67	9.69	9.29	9.63	9.85	9.14	9.38	10.01	10.10	9.12	9.05	10.16
'Fixed' Costs Sub-tot.	32.75¢	34.46¢	31.08¢	33.82¢	36.11¢	31.22¢	32.56¢	31.05¢	34.01¢	30.14¢	30.94¢	33.91¢
Mainten,Repairs	3.42	3.84¢	2.90¢	3.54¢	4.05¢	3.20¢	3.44¢	3.66¢	3.79¢	3.30¢	4.18¢	3.73¢
Gas,Oth.Srv.Stn.Chgs.	8.49	8.92	8.17	8.98	9.65	9.22	9.36	8.40	9.17	8.24	8.62	7.98
'Variable' Sub-total	11.91¢	12.76¢	11.07¢	12.51¢	13.70¢	12.42¢	12.80¢	12.07¢	12.96¢	11.54¢	12.79¢	11.71¢
FIXED,VARIABLE TOT.	44.67¢	47.21¢	42.15¢	46.33¢	49.81¢	43.63¢	45.36¢	43.11¢	46.98¢	41.68¢	43.73¢	45.62¢

CITY	L.A.	Miami	Mil'kee	Min'pls	N.Y.C.	Ptsbrgh.	St.Louis	San Diego	San Fran.	Seattle
Purchase Price	$8268	$8060	$8087	$8087	$8374	$8137	$8088	$8201	$ 8268	$ 8175
Anl.Depreciation	13.56¢	13.22¢	13.28¢	13.26¢	13.73¢	13.34¢	13.26¢	13.45¢	13.56¢	13.41¢
Ins.,Lics.,Fees	19.68	15.17	9.69	9.26	19.03	9.66	12.19	9.67	16.95	10.91
Interest Costs	10.75	9.11	9.76	9.53	10.35	9.55	9.20	9.94	10.01	9.84
'Fixed'Costs Sub-total	43.99¢	37.49¢	32.73¢	32.05¢	43.11¢	32.55¢	34.65¢	33.06¢	40.52¢	34.16¢
Mainten.,Repairs	4.64¢	3.66¢	3.54¢	3.92¢	3.92¢	3.78¢	4.37¢	3.86¢	4.70¢	4.05¢
Gas,Oth.Srv.Stn.Chs.	8.45	8.89	9.33	9.61	9.02	8.42	8.59	9.47	9.11	9.70
'Variable' Sub-total	13.09¢	12.55¢	12.87¢	13.53¢	12.94¢	12.20¢	12.96¢	13.33¢	13.81¢	13.75¢
FIXED & VARIABLE TOTAL	57.08¢	50.04¢	45.60¢	45.56¢	56.05¢	44.75¢	47.61¢	46.39¢	54.33¢	47.91¢

NOTE: Slight variations owing to rounding. Same assumptions made for each city as for national average figures issued 1/31/83. Costs include interest paid and lost on full purchase price, insurance premiums based on mid-city rates for typical family with two children including one inexperienced driver. Excluded are any garaging or temporary parking charges and any bridge, tunnel or highway tolls. While the Hertz figures have made the same assumptions each year for each city, and for the national averages, these variations, the variations by vehicle size, the variations by mileage driven and number of years of use make clear that each motorist should calculate his or her car's own costs. Hertz Corp. Public Affairs Dept., 660 Madison Ave., New York, N.Y. 10021 issues a guide to calculating costs which is available free by writing the above address.

HERTZ 1982 CITY-BY-CITY ESTIMATES OF COSTS OF DRIVING VARIOUS-SIZED NEW CARS 5 YEARS AT 10,000 MILES PER YEAR

City	Sub-compact	Compact	Mid-Size	Intermediate	Full-Size
					3/83
Atlanta	32.25¢	42.15¢	46.25¢	47.83¢	49.36¢
Boston	35.45	46.37	50.84	52.57	54.25
Chicago	38.11	49.81	54.66	56.62	58.33
Cincinnati	33.38	43.63	47.88	49.51	51.09
Cleveland	34.71	45.36	49.78	51.47	53.12
Dallas	32.99	43.11	47.31	48.92	50.48
Denver	35.95	46.98	51.55	53.31	55.02
Detroit	31.89	41.68	45.74	47.30	48.81
District of Columbia	33.46	43.73	47.99	49.62	51.21
Houston	34.91	45.62	50.06	51.77	53.42
Los Angeles	43.68	57.07	62.64	64.77	66.84
Miami	38.29	50.04	54.91	56.78	58.60
Milwaukee	34.89	45.60	50.04	51.75	53.40
Minneapolis	34.88	45.58	50.02	51.72	53.38
New York City	42.89	56.05	61.51	63.60	65.64
Pittsburgh	34.24	44.75	49.11	50.78	52.40
St. Louis	36.43	47.61	52.25	54.03	55.75
San Diego	35.50	46.39	50.91	52.64	54.32
San Francisco	41.57	54.33	59.62	61.65	63.62
Seattle	36.66	47.91	52.58	54.37	56.10
20-CITY AVERAGE	36.11¢	47.21¢	51.78¢	53.55¢	55.26¢
U.S. NATIONAL AVERAGE*	34.18¢	44.67¢	49.02¢	50.69¢	52.31¢

NOTES: Costs in cents-per-mile assume new 1982 cars purchased at prices listed in accompanying table, driven 10,000 miles-per-year and kept five years, with figures in constant 1982 dollars. Figures cover all normal expenses except parking and tolls. For approximate costs for other distances per year or other use periods, divide compact-sized car cost in any city by the NATIONAL average (44.67¢) and multiply the result by the cents-per-mile figure in the "Constant Miles Per Year" columns on Table IV.
*National averages originally issued 1/31/83, which contain methodology. Since costs vary so widely, Hertz urges all motorists to calculate their own costs and issues a guide for doing so.

TABLE 1

HERTZ ESTIMATES OF 1982 MODEL NEW PASSENGER CAR OWNERSHIP & OPERATING COSTS

Average cents - per-mile (& Total Annual Dollar) Expenses for Varying Years of Service, Mileage and Car Type

Use Years	'SUB-COMPACT' At Constant Miles Per Year		'COMPACT'							MID-SIZE	INTER-MEDIATE	STAN-DARD
			At Constant 8081 M.P.Y.	At Declining Annual Miles Averaging 8081 Over 10 Years			Constant Miles Per Year				Each At Constant	
	10,000	15,000		M.P.Y.	¢P.M.	$P.Y.	5,000	10,000	15,000	25,000	10,000 Miles Per Year	
1	.3853¢	.2848¢	.6019¢ = $4864	12292	= .4346¢ =	$5342	.9112¢	.5100¢	.3752¢	.2738	.5596¢	.5801¢	.5953¢
2	.3762	.2826	.5805 = 4691	11363	= .3993 =	5336	.8730	.4958	.3701	.2721	.5441	.5683	.5796
3	.3615	.2735	.5584 = 4513	10652	= .4529 =	4824	.8268	.4750	.3570	.2662	.5212	.5396	.5555
4	.3500	.2684	.5376 = 4344	9974	= .4573 =	4561	.7960	.4585	.3489	.2621	.5032	.5207	.5366
5	.3418	.2627	.5223 = 4221	9559	= .4596 =	4394	.7678	.4467	.3407	--	.4902	.5069	.5231
6	.3164	.2464	.4762 = 3848	9278	= .4320 =	4008	.6953	.4116	.3181	--	.4519	.4668	.4829
7	.2979		.4454 = 3599	9052	= .4126 =	3736	.6420	.3861	--	--	.4242	.4376	.4537
8	.2843	No	.4229 = 3418	8802	= .3993 =	3515	.6042	.3673	No Data Over		.4037	.4161	.4322
9	.2726	Data	.4026 = 3254	8500	= .3888 =	3305	.5696	.3511	100,000 Miles		.3861	.3976	.4137
10	.2635	Over 100M	.3866 = 3124	8081	= .3866 =	3124	.5441	.3384	--	--	.3723	.3831	.3992

NOTE: Above Costs Are Averages for the Varying Use/Mileage Periods; those below, right, are for each of the years.

HISTORICAL COMPARISONS NEW 'INTERMEDIATE' SIZE CAR EXPENSE ESTIMATES
At Estimated Varying Mileage Averages Each Year

Year	3-Year Average Annual Mileage	3-Year Use Cost Cents Per Mile	10-Year Aver. Annual Mileage	10-Year Use Cost Cents Per Mile	At Constant 10,000 Mile A Yr. Aver. 3-Yr. Use**	10-Yr. Use	**3-Year Use @ 10,000 MPY IN CONSTANT (1982) $
1925E	5835	16.9¢	Not Available		11.5¢	NA	62.9¢
1950	12771	9.3	9032	8.0¢	10.9	7.7¢	43.1
1960	13497	12.2	9545	9.8	14.4	9.5	46.6
1970	14267	14.7	10090	12.1	19.0	12.2	46.9
1971	14567	14.3	10280	11.9	18.7	12.1	44.3
1972	14652	15.1	10362	12.1	19.7	12.4	45.1
1973	13570	16.2	9597	13.4	20.2	13.1	43.6
1974	12300	20.7	8732	17.1	23.8	15.9	46.3
1975	12561	23.2	8901	18.9	27.2	17.7	48.4
1976	11885	24.8	9015	20.1	28.1	17.9	47.4
1977	12127	26.2	9199	20.8	30.1	20.0	47.6
1978	12082	29.1	9165	23.1	33.1	22.0	48.7
1979	11666	34.0	8850	28.7	38.0	26.4	50.2
1980	10841	41.5	8224	34.5	44.0	31.0	53.4
1981	10652	48.6	8081	40.8	50.9	35.9	56.3
1982	10652	51.5	8081	43.7	54.0	38.3	54.0

E=Estimated

CURRENT DATA 'COMPACT' CAR EXPENSES
Yearly Costs & Mileages for Various Ownership Periods (Not Averages for All Years as Listed Above.)

Use Yr. Mi.	At Constant 8081 MPY ¢P.M.	$P.Y.	At Listed Declining Yearly Mileage Averaging 8081 MPY Miles	¢P.M.	$P.Y.
1	.6019¢	=$4864	12292 =	.4346 =	$5342
2	.5593	= 4520	10433 =	.4675 =	4878
3	.5140	= 4153	9230 =	.4611 =	4256
4	.4752	= 3840	7940 =	.4746 =	3768
5	.4611	= 3726	7899 =	.4712 =	3722
6	.2449	= 1979	7873 =	.2637 =	2076
7	.2609	= 2108	7696 =	.2726 =	2098
8	.2663	= 2152	7052 =	.2814 =	1984
9	.2402	= 1941	6084 =	.2667 =	1622
10	.2432	= 1965	4310 =	.3482 =	1501
Avg.	.3866¢	=$3124	8081 =	.3866 =	$3124

NOTE: THIS TABLE, AND THOSE FOLLOWING, ARE FROM HERTZ' NATIONAL-AVERAGE STUDY ISSUED JANUAR 31, 1983

Table II

CENTS PER MILE BREAKOUT OF HERTZ OWNERSHIP & OPERATING COST ESTIMATES FOR SELECTED CARS @ 10,000 MILES PER YEAR
(AVERAGE EXPENSES FOR TOTAL YEARS OF OWNERSHIP)

Model Year	1982						1981					
Purchase Price	$8102			$9387			$7621			$8326		
Car Size	COMPACT			INTERMEDIATE			COMPACT			INTERMEDIATE		
Years Kept	3-Yrs.	5-Yrs.	10-Yrs.	3-Yrs.	5-Yrs.	10-Yrs.	3-Yrs.	5-Yrs.	10-Yrs.	3-Yrs.	5-Yrs.	10-Yrs.
Depreciation	17.55¢	13.29¢	7.94¢	20.34¢	15.39¢	9.20¢	17.78¢	13.11¢	7.47¢	19.43¢	14.32¢	8.16¢
Ins., Lic., Fees	9.80	9.80	8.43	10.36	10.36	8.92	9.07	9.07	7.80	9.41	9.41	8.10
Interest (P&L)	8.69	9.67	4.83	10.07	11.20	5.60	8.10	9.69	4.85	8.85	10.59	5.29
FIXED COST S-T	36.04¢	32.75¢	21.21¢	40.76¢	36.95¢	23.72¢	34.96¢	31.87¢	20.12¢	37.69¢	34.32¢	21.55¢
Maintenance	3.00¢	3.42¢	4.07¢	3.24¢	3.99¢	4.73¢	2.57¢	2.76¢	3.42¢	3.00¢	3.22¢	4.00¢
Gas & Other Svc. Stn. Expenses	8.46	8.49	8.57	9.71	9.76	9.86	8.76	8.79	8.88	10.20	10.25	10.37
VARIABLE S-T	11.45¢	11.91¢	12.64¢	13.20¢	13.74¢	14.59¢	11.32¢	11.55¢	12.30¢	13.20¢	13.47¢	14.37¢
FIXED & VARIABLE TOTAL	47.50¢	44.67¢	33.84¢	53.95¢	50.69¢	38.31¢	46.28¢	43.42¢	32.42¢	50.89¢	47.79¢	35.92¢

Model Year	1980		1979		1978	1977	1976	1975	1974	1973	1972	
Purchase Price	$6,454	$7,129	$5,079	$6,161	$5,578	$5,211	$4,864	$4,676	$3,934	$3,493	$3,425	
Car Size	Compact	Inter.	Compact	Inter.	Inter.	Inter.	Inter.	Inter.	Inter.	Inter.	Intermediate	
Years Kept	5-Yrs.	3-Yrs.	5-Yrs.	3-Yrs.	3-Yrs.	3-Yrs.	3-Yrs.	3-Yrs.	3-Yrs.	3-Yrs.	3-Yrs.	10-Yrs.
Depreciation	11.23¢	17.11¢	8.84¢	15.61¢	14.22¢	.1328¢	.1277¢	.1262¢	.1062¢	.0943¢	9.24¢	3.26¢
Ins., Lic., Fees	8.13	8.48	6.43	7.90	6.98	.0608	.0491	.0388	.0370	.0350	3.42	2.45
Interest	6.47	6.43	4.18	4.60	4.13	.0308	.0302	.0331	.0246	.0203	1.98	1.10
FIXED S-T	25.83¢	32.02¢	19.45¢	28.10¢	25.33¢	.2244¢	.2070¢	.1981¢	.1678¢	.1496¢	14.64¢	6.81¢
Maintenance	2.52	2.68	2.29	2.48	2.31	.0212	.0208	.0191	.0182	.0177	1.73	2.34
Gas & Other Svc. Stn. Expenses	8.07	9.29	6.81	7.40	5.48	.0551	.0531	.0546	.0520	.0344	3.37	3.30
VARIABLE S-T	10.59	11.97¢	9.10	9.88	7.79	.0763¢	.0739¢	.0737¢	.0702¢	.0521¢	5.10¢	5.64¢
TOTAL	36.42¢	43.99¢	28.55¢	37.98¢	33.12¢	.3007¢	.2809¢	.2718¢	.2380¢	.2017¢	19.74¢	12.44¢

YEARLY AND LIFETIME COSTS INTERMEDIATE-SIZE SEDAN BOUGHT NEW 1973, DRIVEN 10,000 M.P.Y. 10 YEARS, THEN SCRAPPED IN 1982

(Data From Hertz Cars Ownership & Operating Costs Studies Over Past Decade In Cents Per Mile)

TABLE III
Hertz Corp.1,'83

Car Purchase Price:$3493

Car Age In Years (Use Period)	1	2	3	4	5	6	7	8	9	10	Ten-Year Average
Calendar Year	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	
Depreciation	10.48¢	7.55	5.12	3.30	1.97	1.30	0.94	0.64	0.64	0.36	3.23¢
Insurance, Licenses, Fees	3.50	3.70	3.88	4.01	4.62	5.04	5.70	6.13	6.79	7.48	5.18
Interest Paid & Lost	2.03	2.25	2.46	2.28	--	--	--	--	--	--	0.90
Sub-total Fixed or Standing Expenses	16.01¢	13.50	11.46	10.49	6.59	6.34	6.64	6.77	7.43	7.84	9.31¢
Maintenance, Repairs	1.54¢	1.98	2.19	2.52	3.02	3.51	4.02	4.87	5.28	5.81	3.47
Gasoline & Other Service Station Charges	3.40	5.52	5.59	5.98	6.36	6.79	9.08	11.46	12.26	11.77	7.82
Sub-total Variable or Running Expenses	4.94¢	7.50	7.78	8.50	9.38	10.30	13.10	16.33	17.54	17.58	11.29¢
TOTAL FIXED AND VARIABLE EXPENSES PER YEAR	20.95¢	21.00	19.24	18.99	15.97	16.64	19.74	23.10	24.97	25.42	20.60¢
AVERAGE COSTS FOR PERIOD HELD	20.95¢	20.98	20.40	20.05	19.23	18.80	18.93	19.45	20.06	20.60	
Annual Costs In '73 $	20.95¢	18.92	15.89	14.84	11.71	11.34	12.10	13.02	12.80	11.78	14.34¢
Average Costs In "73 $	20.95¢	19.94	18.59	17.65	16.46	15.61	15.11	14.85	14.62	14.34	--
First Year Costs In Each Year	20.95¢	25.50	29.18	30.24	32.43	34.94	40.14	46.59	54.57	58.01	
CENTS PER MILE DIFFERENCE KEEPING CAR VS. TRADING FOR NEW VEHICLE--YEAR 1.	--	4.50¢	9.94	11.25	16.46	18.30	20.40	23.49	29.60	32.59¢	

NOTE: Figures in this, and other, Hertz car ownership and operating cost studies reflect estimates for typical cars, typically-equipped, driven typical mileages and purchased by typical families buying NEW cars. Expenses for vehicles purchased used (as two out of three American motorists do) are materially less Insurance and interest costs have a material bearing on expenses and buyers should shop for these items as carefully as they shop for the car. The estimates do not include parking (garaging) or tolls and they assume maintenance is done as manufacturers specify by qualified mechanics using proper parts.

Table IV
National U.S. Averages

10-YEAR SUMMARY OF DOMESTIC AUTO SIZE CHANGES

CAR SIZE	'Subcompact'	'Compact'	'Mid-Size'	'Intermediate'	Standard
Example Model:	Escort	Fairmont	Granada	Thunderbird	Ltd.
1982 List Price	$5822	$8180	$9098	$9683	$9857
Wheelbase	94"	106"	106"	108"	114"
Overall Length	164"	196"	197"	200"	209"
Weight	2011 lbs.	2778 lbs.	2941 lbs.	3169 lbs.	3602 lbs.
Change vs. 1981					
Weight	+24 lbs., 1.2%	+54 lbs., 210%	-7 lbs., 0.2%	+21 lbs., 0.1%	No Change
Price	+$405, 7.5%	+$466, 6.0%	+$903, 11%	+$881, 10%	+$834, 9.2%
Change vs. 1973					
Weight	-205 lbs., 9.3%	+521 lbs., 23%	-288 lbs., 9%	-609 lbs., 16%	-690 lbs. 16%
Price	+$2880, 98%	+$5095, 165%	+$5396, 146%	+$5776, 148%	+$5610, 132%
1981 List Price	$5417	$7714	$8195	$8802	$9023
Wheelbase	94"	106"	106"	108"	114"
Overall Length	164"	196"	197"	200"	209"
Weight	1987 lbs.	2724 lbs.	2948 lbs.	3167 lbs.	3602 lbs.
1980 Price	$6042	$6464	$7106	$7708	$8781
Overall Length	171"	196"	200"	200"	209"
Weight	2488 lbs.	2688 lbs.	3250 lbs.	3262 lbs.	3584 lbs.
1979 Price	$5004	$5370	$6265	$6738	$7793
Overall Length	169"	194"	198"	216"	209"
Weight	2449 lbs.	2682 lbs.	3249 lbs.	3910 lbs.	3611 lbs.
1978 Price	$4647	$5061	$5759	$6031	$6379
Overall Length	Same	Same	194"	216"	224"
Weight	2425 lbs.	2748 lbs.	3349 lbs.	4056 lbs.	4266 lbs.
1977 Price	$4352	$4542	$5444	$5634	$6036
Overall Length	Same	187"	Same	Same	Same
Weight	2443 lbs.	2999 lbs.	3462 lbs.	3981 lbs.	4414 lbs.
1976 Price	$4061	$4321	$5089	$5263	$5627
Overall Length	166"	Same	Same	214"	Same
Weight	2562 lbs.	2980 lbs.	3343 lbs.	4137 lbs.	4451 lbs.
1975 Price	$3622	$4230	$4979	$5089	$5515
Overall Length	166"	Same	Same	218"	Same
Weight	2581 lbs.	2891 lbs.	3243 lbs.	4258 lbs.	4502 lbs.
1974 Price	$3304	$3518	$3857	$4257	$4870
Overall Length	166"	Same	194"	215"	222"
Weight	2443 lbs.	2852 lbs.	2964 lbs.	4038 lbs.	4302 lbs.
1973 Price	$2942	$3085	$3702	$3907	$4247
Wheelbase	94"	Same	109"	118"	Same
Overall Length	165"	Same	194"	212"	220"
Weight	2216 lbs.	2257 lbs.	3229 lbs.	3778 lbs.	4292 lbs.

NOTE: Size classification terminology is arbitrary. Different model names previously used. Optional equipment ordered by majority of buyers.

DETAILS OF 1982 COST CALCULATIONS BY HERTZ

1. Models Used: Escort (sub-compact), Fairmont (compact), Granada (mid-range), Thunderbird (intermediate) and LTD (standard). List prices are on attached sheets. Discounts are assumed as follows: Sub-compact, 5%; compact, 6%; mid-range, 7%; intermediate, 8%; full-size, 8%. Assumed sales tax is 5.375% for all units, producing the following purchase prices: Sub-compact, $5828 compact, $8102; mid-range, $8916; intermediate, $9387; full-size, $9452.

2. Depreciation rates are averages. (Rates may vary widely from year to year or model to model, but over an extended period the rates have been fairly consistent.) 1 year, 28%; 2 years, 50%; 3 years, 65%; 4 years, 75%; 5 years, 82%; 6 years, 86%; 7 years, 90%; 8 years, 94%; 9 years, 96%; 10 years, 98%. Extremely high or low mileage each year will also produce depreciation rate variations. NOTE: No inflation assumption is made and this will significantly alter costs for longer-term ownership in times of high inflation. However, inflation will also contribute to higher future new car purchase prices, so depreciation in effect is simply "postponed." Special table shows 1973 model 10-year expenses, reflecting the automotive inflation of the past decade.

3. Insurance is based on $250,000/$500,000/$50,000 rates with $500 deductible comprehensive. (Deductible has risen over the years.) Assumption is that full insurance is retained for duration of car loan, then, if car is kept longer, comprehensive is dropped, only liability retained. Typical four-person family-coverage assumed, including one male in-experienced driver.

4. Interest. For ownership period up to five years, car loan is assumed to be for a period equal to ownership -- e.g. three year loan for three year ownership, five year loan for five year ownership. For use periods over five years, five year loan is assumed. (In past years, when five year loans were not available, four year maximum was used.) Financing of two-thirds of purchase price is assumed in all cases, one third cash down-payment assumed, with interest lost assumed for period of loan, not for full ownership period if over five years. Interest rates assumed monthly payments, quarterly compounding as follows: 1 year, 15.125% paid, 13% lost; year 2, 15.125%, 13%; year 3, 15.125%, 13%; year 4, 15.375%, 13%; year 5, 15.5%, 13%. Interest rate and insurance premiums materially affect costs; shop hard for both.

5. Fuel Efficiency and Maintenance Costs are based on Hertz estimates, not on data from government agencies or manufacturers or industry groups. The estimates do not reflect Hertz costs since the estimates in the study are intended to provide individual motorists a basis for calculating their own costs for personal pleasure travel. The Hertz study costs do assume full, complete and proper maintenance which some motorists may not perform. Nevertheless, slight reduction in fuel efficiency is assumed in calculating gasoline charges in later years. Maintenance is assumed to be done professionally.

6. Excluded from the costs are tolls and garaging since these items can fluctuate widely from place to place and can fluctuate even within the same general geographical areas depending on driving patterns and routes. These charges are, however, almost never "nothing." If a car is parked in the owner's garage, technically the pro-rata cost, based on the size of the garage, should be counted. If car costs are being calculated, expenses should be properly allocated. Without a car, a garage wouldn't be needed. Tolls also make a substantial difference. Two next-door neighbors commuting equal distances to work by different routes might spend 2-5¢ a mile over 10,000 miles of annual driving as a result of tolls. Major-city, mid-town parking could add 5-25¢/mile.

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7. Calculations are for typical cars, typically equipped, driven typical yearly mileages and kept typical periods. Major options ordered by most buyers are included, such as automatic transmission, power steering and brakes and air conditioning. But, for example, on a sub-compact, automatic transmission and air conditioning are not included, because most cars this size are not ordered with these options. And, as noted below, typical mileage and typical use periods are assumed, but other mileages and other use periods are given to illustrate the substantial cents-per-mile and dollars-per-year cost variations different annual mileage and different use periods can produce.

8. Key cost estimates are expressed both in cents-per-mile and dollars-per-year. Many drivers prefer cent-per-mile estimates for tax and employee/employer reimbursement estimates, but dollars-per-year is the key figure. Tables illustrate that high assumed mileage each year produces substantially lower cent-per-mile expenses, since the so-called fixed or standing costs such as insurance, taxes, licensing and interest are spread over a greater number of miles each year. Example: compact car driven 10,000 miles a year produces a 45.85¢-a-mile average over a four-year period and a $4585 annual dollar expenditure. At 15,000 miles a year, per-mile costs drop to 34.89¢, but dollar outlays rise to $5234 annually. At 25,000 miles a year, cent-per-mile expenses fall to 36.21¢, but annual dollar costs soar to $6552. Studies expressing costs in terms of high assumed mileage, can be misleading. The estimated overall national average mileage for 1981 was just 8081. At that mileage, the four-year average cost per-mile for the compact rose to 53.76¢, but yearly outlays dropped to $4344. At just 5,000 miles a year, costs were 79.60¢ a mile, but just $3980 a year.

9. Some studies indicate that the mileage of a new car is highest in its earlier years and drops annually as the car ages. Therefore, some other cost estimates in the past have presented cost-per-mile estimates on the basis of such declining mileage assumptions. Such presentations also can be misleading since they mask the fact that longer ownership of a car normally reduces both the cents-per-mile and dollars-per-year, as does purchase of a used car. This is because depreciation for most domestic cars is higher in first years, lower later. Keeping a car after a loan is repaid results in lower average interest; also, some insurance can be reduced. Thus, even though maintenance costs rise in later years, often sharply at high mileages, the overall average cost usually falls each year the car is kept (although in later years the yearly outlays do rise). Since these later-year expenses are usually so far below the overall average, the overall expense average continues to drop.

10. The Hertz study illustrates why expenses should always be UNDERSTOOD in terms of dollars-per-year even when EXPRESSED as cents-per-mile. The table for the compact shows that at a constant 8081 (nat'l average) miles a year, average expenses for the length of years the car is kept drop from 60.19¢ a mile and $4864 a year for new cars traded annually, down to 38.66¢ a mile (and $3124 a year) if a car is kept 10 years. However, if mileage drops each year, at the ratios indicated in at least one government study, the cent-a-mile expenses are "flattened" to just 43.46¢ a mile for 12,292 miles the first year, 47.12¢ for 7899 miles the fifth year and 34.82¢ for just 4310 miles the 10th year. The study also lists the yearly cost and mileage figures for the compact, in addition to the average for total years the car is kept, showing the drastic cost drop after loan repayment and insurance cutback.

11. All costs are expressed in terms of the dollars current for the year given, e.g. 1982 costs are in 1982 dollars. However, Hertz has adjusted key year figures for past model yrs. to reflect what those costs would have been in 1982 dollars and cents. Inflation, of course, will alter future figures and, especially for longer-term use such differences might be significant if inflation rates are high. In general, depreciation will be somewhat lower, all other categories higher and overall expenses higher with inflation.

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